

REDEVELOPMENT AGENCY

Kathleen Thomas

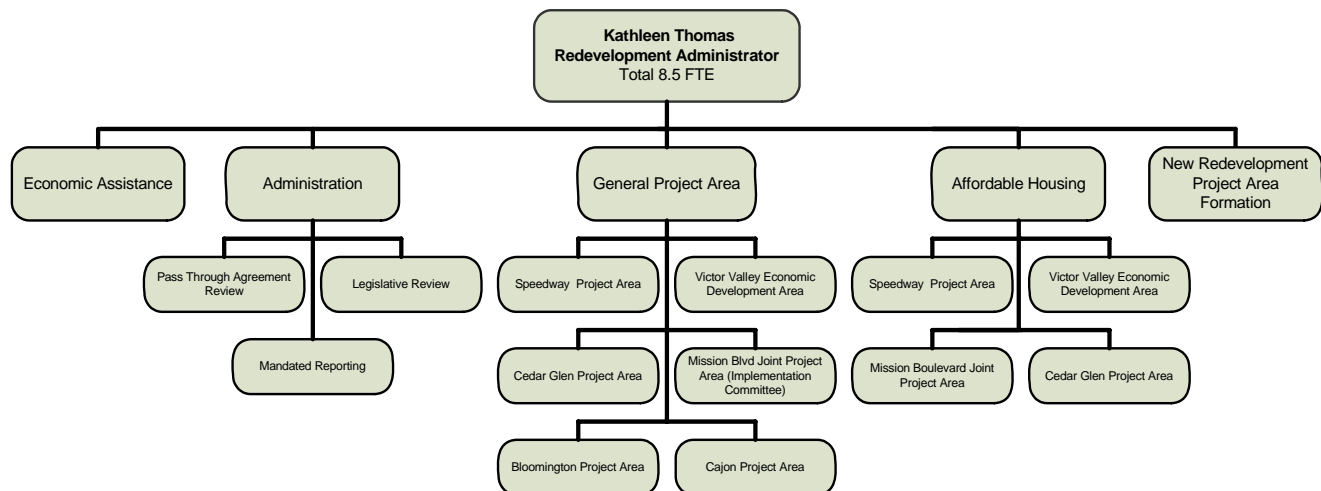
MISSION STATEMENT

The county's Redevelopment Agency serves to improve economic opportunities and affordable living conditions within established redevelopment project areas in the unincorporated county through the effective and efficient utilization of California Redevelopment Law, appropriate use of tax increment revenues and cooperative programs with other county agencies and communities.

STRATEGIC GOALS

1. Elimination and Prevention of blighted conditions within unincorporated areas of the county.
2. Retention of business currently located within project areas.
3. Promote Economic Development in project areas through attraction of new business.
4. Rehabilitation of affordable housing for low and moderate-income households benefiting project areas.
5. Augmentation of the supply of low and moderate housing benefiting project areas.

ORGANIZATIONAL CHART



SUMMARY OF PROJECT AREAS

	2006-07			
	Appropriation	Revenue	Fund Balance	Staffing
Speedway Project Area	61,537,960	9,703,950	51,834,010	8.5
Cedar Glen Project Area	9,870,863	119,000	9,751,863	-
VVEDA Project Area	899,051	138,000	761,051	-
Mission Joint Project Area	94,038	42,765	51,273	-
Proposed Bloomington Project Area	90,181	5,000	85,181	-
Proposed Cajon Project Area	154,942	5,000	149,942	-
TOTAL	72,647,035	10,013,715	62,633,320	8.5

Detailed information for each project area is provided, along with a description of the services, budget unit history, applicable performance measures, and policy item requests.



Speedway Project Area

DESCRIPTION OF MAJOR SERVICES

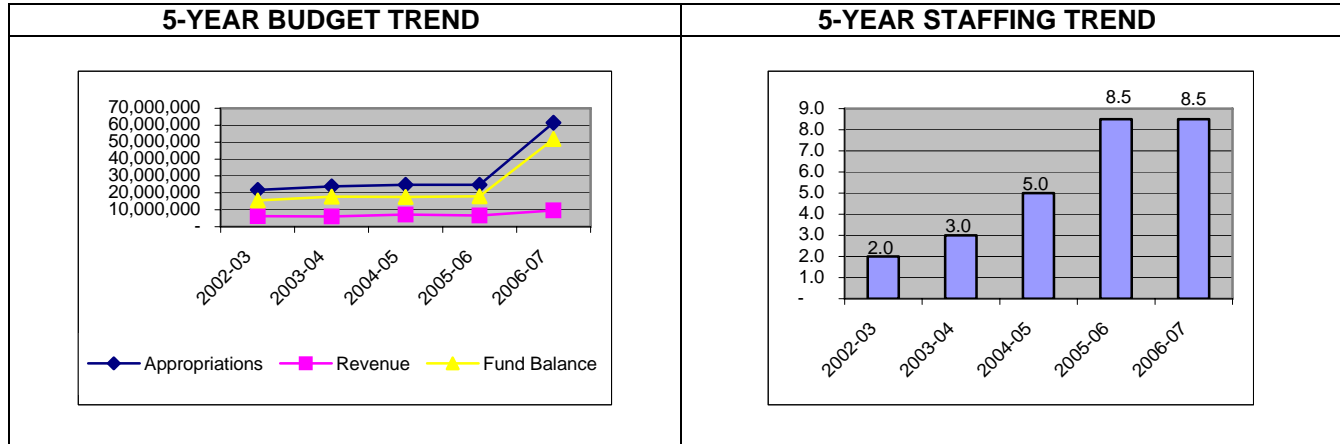
In 1995, the entire former Kaiser Steel site and other blighted industrial property in its vicinity were incorporated into the Speedway Redevelopment Project Area (formerly known as San Sevaine Project Area). The major objectives of the project area are to encourage private sector investment in the development and redevelopment of the area by removing impediments to growth, eliminating and/or preventing the spread of blight and deterioration, and correcting infrastructure deficiencies. An amendment to the Speedway Project Area was adopted in November 2004, expanding the area by approximately 40% and approving other administrative changes. A second amendment to the project area was adopted on November 1, 2005, reducing the project area by 15%. This amendment was done to allow the City of Fontana to proceed with plans to incorporate the area removed from the project area.

On November 15, 2005, the Board of Supervisors/Directors approved the issuance of approximately \$58,275,000 in tax allocations bonds and approved the refunding of the 2000 bonds issued in January 2000. Net proceeds from the sale of these bonds of \$34,650,935 (general operating funds \$25,431,395; housing funds \$9,219,540) will be used to finance infrastructure improvements within the Speedway Project Area and provide affordable housing.

Included in this project area are housing funds which are used to conserve and/or expand the supply of affordable housing to low and moderate-income households. Based on regulations 20% of the gross tax increment revenues are set aside and used for affordable housing.

Redevelopment Agency administrative costs, including all staffing costs for the Redevelopment Agency, are accounted for in this project area, but are allocated to the other project areas based on time studies.

BUDGET HISTORY



PERFORMANCE HISTORY

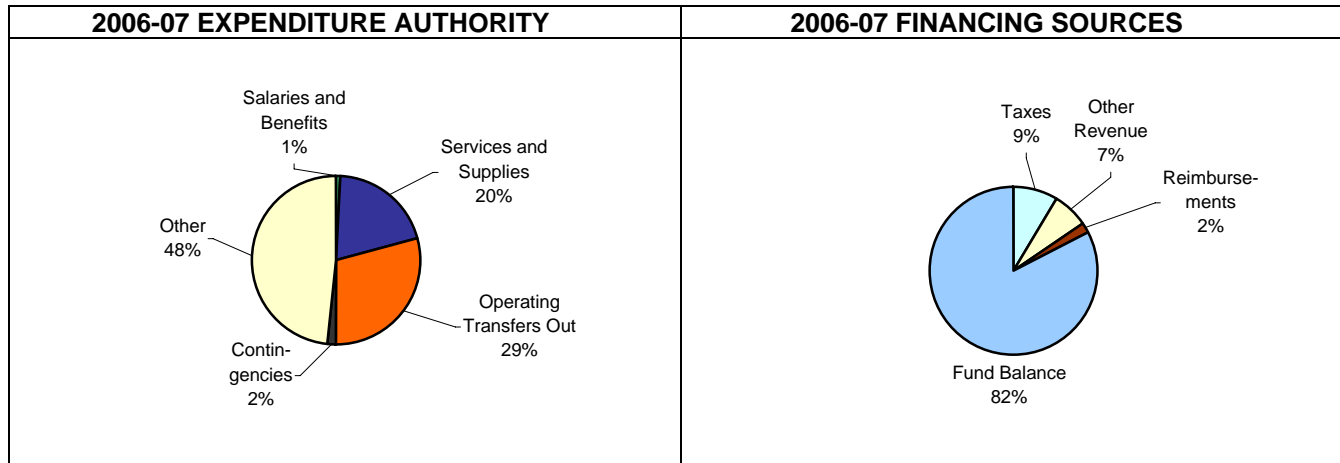
	Actual 2002-03	Actual 2003-04	Actual 2004-05	Modified Budget 2005-06	Estimate 2005-06
Appropriation	4,865,665	10,200,861	9,387,758	25,320,456	8,179,199
Departmental Revenue	7,198,162	8,325,849	9,796,641	7,286,275	41,979,028
Fund Balance				18,034,181	
Budgeted Staffing				8.5	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual expenditures in these funds are typically less than budgeted. The amount not expended is carried over to the subsequent year's budget.

San Sevaine Bond Series 2005 A was funded in December, 2005 with net proceeds of \$34,650,935. General projects to be undertaken with these bond proceeds include work on the Etiwanda/San Sevaine Flood Control Channel (South), West Fontana Flood Control Channel, road work on the Cherry/I-10 interchange, road construction on Cherry and San Bernardino Avenues, the construction of a fire station, land acquisition, and economic incentives for business acquisition within the project area. Proceeds allocated for housing projects will be used for land acquisition, mortgage write downs, residential rehab grants, and affordable housing development assistance.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Redevelopment Agency
FUND: Speedway Project Area

BUDGET UNIT: DBR, SPD, SPE, SPF & SPH
FUNCTION: General
ACTIVITY: Other General

	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Estimate	2005-06 Final Budget	2006-07 Proposed Budget	Change From 2005-06 Final Budget
Appropriation							
Salaries and Benefits	177,978	191,736	349,242	570,500	702,911	756,802	53,891
Services and Supplies	274,484	1,511,268	2,308,372	1,064,382	14,640,294	17,657,462	3,017,168
Central Computer	1,009	558	317	145	142	4,418	4,276
Other Charges	1,474,234	1,583,359	1,648,769	1,668,493	1,637,635	3,892,350	2,254,715
Land and Improvements	-	-	-	3,258,338	258,338	4,500,000	4,241,662
Equipment	-	-	-	14,400	-	-	-
Transfers	605,268	3,908,034	471,924	803,351	2,758,820	5,062,348	2,303,528
Contingencies	-	-	-	-	1,603,077	1,603,077	-
Total Exp Authority	2,532,973	7,194,955	4,778,624	7,379,609	21,601,217	33,476,457	11,875,240
Reimbursements	(312,538)	(302,294)	(202,237)	(772,271)	(415,015)	(1,188,998)	(773,983)
Total Appropriation	2,220,435	6,892,661	4,576,387	6,607,338	21,186,202	32,287,459	11,101,257
Operating Transfers Out	2,645,230	3,308,200	4,811,371	1,571,861	3,539,114	29,250,501	25,711,387
Total Requirements	4,865,665	10,200,861	9,387,758	8,179,199	24,725,316	61,537,960	36,812,644
Departmental Revenue							
Taxes	4,049,874	4,735,235	4,661,700	4,905,000	4,885,000	5,395,500	510,500
Use Of Money and Prop	499,309	356,437	396,409	849,600	219,000	511,100	292,100
State, Fed or Gov't Aid	-	217	170	-	-	-	-
Current Services	-	-	(73,009)	-	-	-	-
Other Revenue	3,749	760	-	-	-	-	-
Other Financing Sources	-	-	600,000	34,650,935	-	-	-
Total Revenue	4,552,932	5,092,649	5,585,270	40,405,535	5,104,000	5,906,600	802,600
Operating Transfers In	2,645,230	3,233,200	4,211,371	1,573,493	1,587,135	3,797,350	2,210,215
Total Financing Sources	7,198,162	8,325,849	9,796,641	41,979,028	6,691,135	9,703,950	3,012,815
Fund Balance					18,034,181	51,834,010	33,799,829
Budgeted Staffing					8.5	8.5	-

In 2006-07, the department will incur increased costs to maintain current services, such as negotiated labor agreements, retirement, risk management, central computer and inflationary services & supplies purchases; and will incur decreased costs in worker's compensation. These costs are reflected in the Change From 2005-06 Final Budget column, along with changes related to department recommendations.

Services and supplies has increase by approximately \$6.0 million for housing programs and road improvements, offset by a decrease in fund balance of approximately \$3.0 million. Land and improvements have increased as a result of the voluntary land purchase program for the Rosemary/Iris properties located in the project area. Transfers to other county departments have increased by \$2.3 million primarily for road and flood control projects. Operating transfers out has increased by \$20 million as a result of the bond proceeds budgeted in



2006-07; however the expenditures will take place in future fiscal years. Other increases included in operating transfers out are for a fire station and debt services payments.

The budgeted revenue reflects an anticipated increase in tax increment revenue of \$500,000 and in interest revenue of \$300,000. In addition, operating transfers in have increased as a result of the debt service payments for the Series 2005 A bonds.

PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Complete development standards for each project area within 12 months after the project area adoption.		100%
Process reimbursement of the agreed upon capital projects within 10 business days.		70%
Complete investigation of code enforcement complaints within 5 days of receipt.		70%
Achieve compliance with Code Enforcement directive within 30 days.		25%
Complete initial review of financial requests within 30 days.		75%
Provide assistance packages that retain viable and eligible business.		For 60% of requests received
Set meeting with other applicable county department and businesses within 15 days of request for assistance.		80%
Develop business retention assistance package.		For 60% of requests received
Number of direct and indirect marketing efforts.		10% Increase
Complete initial reviews of financial assistance requests within 30 days of receipt.		75%
Provide assistance packages that attract viable and eligible new business.		For 30% of requests received
Complete initial review of submitted applications within 90 days.		90%
Process eligible applications within 6 months.		90%
Complete projects with final approval within 1 year.		75%
Complete initial review of submitted applications within 90 days.		90%



PERFORMANCE MEASURES		
Description of Performance Measure	Estimated 2005-06	Proposed 2006-07
Process eligible applications within 6 months.		90%
Complete projects with final approval within 1 year.		75%
Complete initial review of submitted applications within 90 days.		90%
Process eligible applications within 1 year.		80%
Complete projects with final approval within 2 years of compliance of applicant.		75%
Complete initial review of submitted applications within 90 days.		90%
Process eligible applications within 6 months of receipt of completed application.		80%

